

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN**

INVEST DETROIT FOUNDATION,
a Michigan nonprofit corporation, and
ECONOMIC DEVELOPMENT CORPORATION
OF THE CITY OF DETROIT, a Michigan
public authority and body corporate,

Plaintiffs,

v.

Case No.:
Hon.

FEENIX VENTURE PARTNERS, LLC, a
Delaware limited liability company,
GG-FVP, LLC, a Delaware limited liability
company, Galley Group Holdings LLC, a
Delaware limited liability company, and
FVP Argo, LLC, a Delaware limited liability
company,

Defendants.

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**INVEST DETROIT FOUNDATION AND ECONOMIC DEVELOPMENT
CORPORATION OF THE CITY OF DETROIT'S COMPLAINT**

There is no other civil action between these parties arising out of the same transaction or occurrence as alleged in this complaint pending in this court, nor has any such action been previously filed, and dismissed, or transferred after having been assigned to a judge.

Invest Detroit Foundation and the Economic Development Corporation of the City of Detroit, through their counsel Kotz Sangster Wysocki P.C., set forth their Complaint against Defendants Feenix Venture Partners, LLC, GG-FVP, LLC, Galley Group Holdings LLC, and FVP Argo, LLC (collectively “Defendants”) as follows:

PARTIES, JURISDICTION, VENUE

1. Plaintiff Invest Detroit Foundation (“Invest Detroit”) is a Michigan nonprofit corporation, with its principal place of business located in Detroit, Michigan.

2. Plaintiff Economic Development Corporation of the City of Detroit (the “EDC”) is a Michigan public authority and body corporate, with its principal place of business in Detroit, Michigan.

3. Defendant Feenix Venture Partners, LLC (“FVP LLC”) is a limited liability company formed under the laws of the State of Delaware, with its principal place of business located in New York, New York.

4. Defendant GG-FVP, LLC (“GG-FVP”) is a limited liability company formed under the laws of the State of Delaware, with a registered agent located in Wilmington, Delaware. Upon information and belief GG-FVP’s principal place of business is located in New York, New York.

5. Defendant Galley Group Holdings LLC (“GG Holdings”) is a limited liability company formed under the laws of the State of Delaware, with its principal place of business is located in New York, New York.

6. Defendant FVP Argo, LLC (“FVP Argo”) is a limited liability company formed under the laws of the State of Delaware, with its principal place of business located in New York, New York.

7. Jurisdiction is proper in this Court pursuant to 28 U.S.C. §1332, as the amount in controversy exceeds \$75,000 and the Plaintiffs are citizens of different States than all Defendants.

8. Venue is proper in this Court as a substantial part of the events giving rise to this lawsuit occurred in the City of Detroit, Michigan. Furthermore, pursuant to the Guaranties (as defined and discussed below) Defendants’ predecessor entity, Galley Group Inc., agreed to adjudicate any matter involving the Guaranties in the United States District Court for the Eastern District of Michigan.

BACKGROUND

9. Invest Detroit is a non-profit corporation, which among other things, assists businesses operating within the City of Detroit in obtaining operating capital by providing grants and loans to small businesses, for the purpose of furthering development within the City of Detroit.

10. EDC is a Michigan public authority established pursuant to Michigan Public Act 338 of 1974, which assists local industrial and commercial enterprises through programs such as loans and public infrastructure improvements, and which provides loans to small businesses operating in the City of Detroit, for the purpose of furthering development within the City of Detroit.

11. In 2018, Galley Group Inc. (“Galley Group”), a Pennsylvania corporation, sought to expand its “Galley” restaurant chain into Detroit, Michigan.

12. Prior to expanding into Detroit, Galley Group formed a Limited Liability Company under the laws of the State of Delaware, under the name Detroit Galley LLC (“Detroit Galley”) to operate the Galley restaurant in Detroit. The Detroit Galley restaurant was located at 160 Fort Street, Detroit, Michigan, and was operated under the assumed name “Fort Street Galley.”

13. At the time of the planned and eventual expansion into Detroit, in addition to Detroit Galley, Galley Group owned three other operational subsidiary Galley restaurants.

14. Galley Group’s three other operational restaurants consisted of two subsidiary restaurants in Pittsburgh, Pennsylvania, operated by Steel City Market LLC (“Steel City”) and Federal Galley Limited Liability Company (“Federal Galley”), and one in Minneapolis, Minnesota operated by North Loop Galley LLC (“North Loop Galley,” collectively, the “Operational Restaurants”).

15. Through mutual dealings, in December 2018, Plaintiffs Invest Detroit and the EDC provided loans to Detroit Galley for the operation of Fort Street Galley, in the amounts of \$300,000 and \$200,000 (the “Loans”).

16. The Loans provided to Detroit Galley were each secured by guaranty agreements provided by Galley Group (the parent company to Detroit Galley LLC and each of the Operational Restaurants) to secure repayment of the Loans (collectively the “Guaranties”; or individually each “Guaranty”).

17. Through the Guaranties, Galley Group promised to pay Invest Detroit and the EDC all amounts owed to Invest Detroit and the EDC by Detroit Galley pursuant to the Loans. Copies of the Guaranties are attached as **Exhibit 1** and **Exhibit 2**.

18. The Guaranties were provided by Galley Group explicitly to induce Invest Detroit and the EDC to provide the Loan proceeds to Detroit Galley.

19. Galley Group executed the Guaranties on December 6, 2018. *Id.* At the time Galley Group provided the Guaranties, Galley Group maintained active ownership of its Operational Restaurants and maintained sufficient resources to repay the amounts owed pursuant to the Loans.

20. Within months of receiving the Loan proceeds, Detroit Galley failed to make payments as agreed and defaulted on the Loans.

21. In February 2020, Detroit Galley ceased operations of the Fort Street Galley restaurant.

22. On May 1, 2020, Invest Detroit and the EDC each sent Notices of Default and Demands for Payment to Galley Group to enforce the terms of the Guaranties (the “Notices of Default”). See **Exhibit 3** and **Exhibit 4**.

23. Galley Group failed to provide payment to Invest Detroit and the EDC as promised pursuant to the Guaranties.

24. Upon information and belief, in June 2020, the month after Plaintiffs Invest Detroit and the EDC sent the Notices of Default to Galley Group, Galley Group transferred all of its ownership interests in its Operational Restaurants (the “Galley Group Ownership Interests”) to Defendant FVP LLC via a transfer agreement (the “Transfer Agreement”).

25. Upon information and belief, Defendant FVP LLC then simultaneously transferred the Galley Group Ownership Interests to Defendant GG-FVP via the same Transfer Agreement.

26. Upon information and belief, the Galley Group Ownership Interests transferred to GG-FVP consisted of all of Galley Group’s revenue-generating assets.

27. Upon information and belief, Galley Group’s only remaining holding after the transfer was its interest in the non-operational entity, Detroit Galley.

28. Upon information and belief, the Defendants maintain possession of the Transfer Agreement, and therefore a copy of the Transfer Agreement is not attached to this complaint.

29. Upon information and belief, prior to the transfer of the Galley Group Ownership Interests to Defendants FVP LLC and GG-FVP, Galley Group's largest shareholders were Defendant GG Holdings and Defendant FVP Argo.

30. Upon information and belief, as Galley Group's two largest shareholders, Defendants GG Holdings and FVP Argo exercised control over Galley Group at the time of the Transfer Agreement.

31. Upon information and belief, Defendants GG Holdings, FVP Argo, and/or the controlling members of these entities, also maintain a controlling interest in Defendant GG-FVP, the entity that received the entirety of the Galley Group Ownership Interests via the Transfer Agreement.

32. Defendant GG-FVP was formed on May 22, 2020—three weeks after Invest Detroit and the EDC provided the Notices of Default to Galley Group, and less than one month before the Transfer Agreement took effect. See the entity details for GG-FVP obtained from the Delaware Department of State, attached as **Exhibit 5**.

33. Upon information and belief, the controlling members of Galley Group (Defendants GG Holdings and/or FVP Argo) formed Defendant GG-FVP in an

attempt to avoid pre-existing debts and liabilities owed by Galley Group, such as the amounts owed to Invest Detroit and the EDC pursuant to Guaranties.

34. The terms of the Guaranty executed with the EDC required Galley Group to provide prompt written notice of any changes to its financial condition; however, Galley Group did not provide Invest Detroit or the EDC any notice of the Transfer Agreement.

35. In addition, the information regarding the transfer of the Galley Group Ownership Interests to GG-FVP was not publicly available and was otherwise concealed from Invest Detroit and the EDC.

36. Because Invest Detroit and the EDC were unaware of the Transfer Agreement, on August 13, 2021, after several months of unanswered demands for payment sent to Galley Group, Invest Detroit and the EDC initiated a lawsuit against Galley Group to enforce Galley Group's obligation to provide payment for the Loans pursuant to the terms of the Guaranties. (*Invest Detroit Foundation and Economic Development Corporation of the City of Detroit v. Detroit Galley LLC, Galley Group Inc, and Benjamin Mantica, Wayne County Circuit Court, Case No. 21-010196-CB*; the "Lawsuit").

37. Galley Group did not file an answer in the Lawsuit and default judgments were entered against Galley Group in favor of Invest Detroit for

\$285,328.67 and the EDC for \$204,661.03 (the “Judgments”). **Exhibit 6** and **Exhibit 7**.

38. To date, Galley Group has not satisfied any amount of the Judgments or its obligation to pay Invest Detroit and the EDC pursuant to the Guaranties.

39. Upon information and belief, from the time Galley Group transferred the Galley Group Ownership Interests to Defendants FVP LLC and GG-FVP, Galley Group is no longer operational, has no assets of any value, and exists solely to absorb liability for Galley Group’s debts and obligations existing prior to the Transfer Agreement.

40. Upon information and belief, Galley restaurants, Federal Galley and North Loop Galley continue to operate under the ownership of the new parent company, Defendant GG-FVP, in the same manner as they did under Galley Group’s ownership prior to the Transfer Agreement.

41. In addition to the foregoing, the Guaranties executed by Galley Group had a binding effect on all of Galley Group’s successors or assigns.

42. According to the Guaranty provided to Invest Detroit, “This Guaranty shall remain in full force and effect and be binding...upon...its successors and assigns, and shall inure to the benefit of the Lender [(Invest Detroit)], and its successors, endorsees, transferees and assigns, until all the Guaranteed Obligations have been Paid in Full.” See **Exhibit 2** at page 2, Section 2.

43. According to the Guaranty provided to the EDC, “This Guaranty shall continue in the event of a corporate event, such as, but not limited to, an acquisition or merger.” See **Exhibit 1** at page 5, Section 10.

44. In addition, the Guaranties provide for Invest Detroit and the EDC to recover all costs, including attorneys’ fees, in connection with enforcement of Galley Group’s obligation to provide payment pursuant to the Guaranties.

45. Finally, the Guaranties provide for all disputes arising out of the Guaranties to be resolved in the United States District Court for the Eastern District of Michigan, and in accordance with the laws of the State of Michigan.

COUNT I
SUCCESSOR LIABILITY (DE FACTO MERGER) AS TO INVEST
DETROIT

46. Invest Detroit incorporates all proceeding paragraphs as if fully stated herein.

47. Upon the transfer of the Galley Ownership Interests to Defendants FVP LLC and GG-FVP, Defendant GG-FVP became the successor entity of Galley Group.

48. Upon information and belief, as Galley Group’s two largest shareholders, Defendants GG Holdings and FVP Argo, exercised control over Galley Group at the time of the Transfer Agreement.

49. Upon information and belief, Defendants GG Holdings, FVP Argo, and/or the controlling members of these entities, also maintain a controlling interest in Defendant GG-FVP, the entity that received the entirety of the Galley Group Ownership Interests via the Transfer Agreement.

50. Upon information and belief, following the transfer of the Galley Group Ownership Interests, Galley Group effectively dissolved, and immediately ceased its normal business operations.

51. Upon information and belief, after the Transfer Agreement, Defendant GG-FVP continued predecessor Galley Group's normal business operations without interruption, and in the same manner as when the Operational Restaurants were owned by Galley Group.

52. Upon information and belief, Federal Galley and North Loop Galley continue to operate under Defendant GG-FVP's ownership using the same restaurant names, using the same logo, at the same locations, and continue to offer the same dining experience as when the Operational Restaurants were owned by Galley Group.

53. Upon information and belief, Defendant GG-FVP also assumed Galley Group's obligations and liabilities necessary for the seamless continued operation of the Federal Galley and North Loop restaurants, which include, but are not limited to, obligations to leaseholders, insurers, vendors, employees, etc.

54. Accordingly, when Galley Group transferred the Galley Group Ownership Interests to Defendants FVP LLC and GG-FVP, the transaction amounted to a “de facto merger.”

55. As a result of the de facto merger, Defendants FVP LLC and GG-FVP assumed Galley Group’s obligation to provide payment to Invest Detroit pursuant to the Guaranty.

56. In addition, according to the terms of the Guaranty provided to Invest Detroit, “This Guaranty shall remain in full force and effect and be binding...upon...its successors and assigns, and shall inure to the benefit of the Lender [(Invest Detroit)], and its successors, endorsees, transferees and assigns, until all the Guaranteed Obligations have been Paid in Full,” and therefore, it is binding upon Galley Group’s successors, Defendants FVP LLC and GG-FVP.

57. Plaintiff Invest Detroit remains unpaid for the Loan and the Guaranty.

58. FVP LLC and GG-FVP’s failure to pay Invest Detroit pursuant to the terms of the Guaranty as Galley Group’s successors has caused Invest Detroit to suffer damages in the amount of \$285,328.67, plus interest, costs, and attorneys’ fees.

WHEREFORE, Invest Detroit Foundation requests the Court enter a money judgment in its favor against Feenix Venture Partners, LLC, and GG-FVP, LLC,

jointly and severally, in the amount of \$285,328.67, plus additional interest, costs, and attorneys' fees, and to grant such other relief as this Court deems equitable.

COUNT II
SUCCESSOR LIABILITY (DE FACTO MERGER) AS TO THE EDC

59. The EDC incorporates all proceeding paragraphs as if fully stated herein.

60. Upon the transfer of the Galley Group Ownership Interests to Defendants FVP LLC and GG-FVP, Defendant GG-FVP became the successor entity of Galley Group.

61. Upon information and belief, as Galley Group's two largest shareholders, Defendants GG Holdings and FVP Argo exercised control over Galley Group at the time of the Transfer Agreement.

62. Upon information and belief, Defendants GG Holdings, FVP Argo, and/or the controlling members of these entities, also maintain a controlling interest in Defendant GG-FVP, the entity that received the entirety of the Galley Group Ownership Interests via the Transfer Agreement.

63. Upon information and belief, following the transfer of the Galley Group Ownership Interests, Galley Group effectively dissolved, and immediately ceased its normal business operations.

64. Upon information and belief, after the Transfer Agreement, Defendant GG-FVP continued predecessor Galley Group's normal business operations without

interruption, and in the same manner as when the Operational Restaurants were owned by Galley Group.

65. Upon information and belief, Federal Galley and North Loop Galley continue to operate under GG-FVP's ownership using the same restaurant names, using the same logo, at the same locations, and continue to offer the same dining experience as when the Operational Restaurants were owned by Galley Group.

66. Upon information and belief, Defendant GG-FVP also assumed Galley Group's obligations and liabilities necessary for the seamless continued operation of the Federal Galley and North Loop restaurants, which include, but are not limited to, obligations to leaseholders, insurers, vendors, employees, etc.

67. Accordingly, when Galley Group transferred the Galley Group Ownership Interests to Defendants FVP LLC and GG-FVP, the transaction amounted to a "de facto merger."

68. As a result of the de facto merger, Defendants FVP LLC and GG-FVP assumed Galley Group's obligation to provide payment to Invest Detroit pursuant to the Guaranty.

69. In addition, according to the terms of the Guaranty provided to the EDC, "This Guaranty shall continue in the event of a corporate event, such as, but not limited to, an acquisition or merger," and therefore, it is binding upon Galley Group's successors, Defendants FVP LLC and GG-FVP.

70. Plaintiff the EDC remains unpaid for the Loan and the Guaranty.

71. FVP LLC and GG-FVP's failure to pay the EDC pursuant to the terms of the Guaranty as Galley Group's successors has caused the EDC to suffer damages in the amount of \$204,661.03, plus interest, costs, and attorneys' fees.

WHEREFORE, the Economic Development Corporation of the City of Detroit requests this Court enter a money judgment in its favor against Feenix Venture Partners, LLC and GG-FVP, LLC, jointly and severally, in the amount of \$204,661.03, plus additional interest, costs, and attorneys' fees, and to grant such other relief as this Court deems equitable.

COUNT III
SUCCESSOR LIABILITY (CONTINUITY OF ENTERPRISE) AS TO
INVEST DETROIT

72. Invest Detroit incorporates all proceeding paragraphs as if fully stated herein.

73. Upon information and belief, following the transfer of the Galley Group Ownership Interests, Galley Group effectively dissolved, and immediately ceased its normal business operations.

74. After the Transfer Agreement, Defendant GG-FVP continued predecessor Galley Group's normal business operations without interruption, and in the same manner as when the Operational Restaurants were owned by Galley Group.

75. Upon information and belief, Federal Galley and North Loop Galley continue to operate under Defendant GG-FVP's ownership using the same restaurant names, using the same logo, at the same locations, and continue to offer the same dining experience as when the Operational Restaurants were owned by Galley Group.

76. Upon information and belief, Defendant GG-FVP also assumed Galley Group's obligations and liabilities necessary for the seamless continued operation of the Federal Galley and North Loop restaurants, which include, but are not limited to, obligations to leaseholders, insurers, vendors, employees, etc.

77. Accordingly, when Galley Group transferred the Galley Group Ownership Interests to Defendants FVP LLC and GG-FVP, there was a mere continuation of the Galley Group's business, or a "continuity of enterprise," through GG-FVP.

78. Because there was a continuity of enterprise upon the transfer of the Galley Group Ownership Interests, Defendants FVP LLC and GG-FVP are liable for Galley Group's obligation to provide payment to Invest Detroit pursuant to the Guaranty.

79. In addition, according to the terms of the Guaranty provided to Invest Detroit, "This Guaranty shall remain in full force and effect and be binding...upon...its successors and assigns, and shall inure to the benefit of the

Lender [(Invest Detroit)], and its successors, endorsees, transferees and assigns, until all the Guaranteed Obligations have been Paid in Full,” and therefore, it is binding upon Galley Group’s successors, Defendants FVP LLC and GG-FVP.

80. Plaintiff Invest Detroit remains unpaid for the Loan and the Guaranty.

81. FVP LLC and GG-FVP’s failure to pay Invest Detroit pursuant to the terms of the Guaranty as Galley Group’s successors has caused Invest Detroit to suffer damages in the amount of \$285,328.67, plus interest, costs, and attorneys’ fees.

WHEREFORE, Invest Detroit Foundation requests the Court enter a money judgment in its favor against Feenix Venture Partners, LLC and GG-FVP, LLC, jointly and severally, in the amount of \$285,328.67, plus additional interest, costs, and attorneys’ fees, and to grant such other relief as this Court deems equitable.

COUNT IV
SUCCESSOR LIABILITY (CONTINUITY OF ENTERPRISE) AS TO THE
EDC

82. The EDC incorporates all proceeding paragraphs as if fully stated herein.

83. Upon information and belief, following the transfer of the Galley Group Ownership Interests to Defendants FVP LLC and GG-FVP, Galley Group effectively dissolved, and immediately ceased its normal business operations.

84. After the Transfer Agreement, Defendant GG-FVP continued predecessor Galley Group's normal business operations without interruption, and in the same manner as when the Operational Restaurants were owned by Galley Group.

85. Upon information and belief, Federal Galley and North Loop Galley continue to operate under Defendant GG-FVP's ownership using the same restaurant names, using the same logo, at the same locations, and continue to offer the same dining experience as when the Operational Restaurants were owned by Galley Group.

86. Upon information and belief, Defendant GG-FVP also assumed Galley Group's obligations and liabilities necessary for the seamless continued operation of the Federal Galley and North Loop restaurants, which include, but are not limited to, obligations to leaseholders, insurers, vendors, employees, etc.

87. Accordingly, when Galley Group transferred its Operational Restaurants to Defendants FVP LLC and GG-FVP, there was a mere continuation of the Galley Group's business, or a "continuity of enterprise" through GG-FVP.

88. Because there was a continuity of enterprise upon the transfer of the Galley Group Ownership Interests, Defendants FVP LLC and GG-FVP are liable for Galley Group's obligation to provide payment to the EDC pursuant to the Guaranty.

89. In addition, pursuant to the terms of the Guaranty provided to the EDC, “This Guaranty shall continue in the event of a corporate event, such as, but not limited to, an acquisition or merger,” and therefore, it is binding upon Galley Group’s successors, Defendants FVP LLC and GG-FVP.

90. Plaintiff the EDC remains unpaid for the Loan and the Guaranty.

91. FVP LLC and GG-FVP’s failure to pay the EDC pursuant to the terms of the Guaranty as Galley Group’s successors has caused the EDC to suffer damages in the amount of \$204,661.03, plus interest, costs, and attorneys’ fees.

WHEREFORE, the Economic Development Corporation of the City of Detroit requests this Court enter a money judgment in its favor against Feenix Venture Partners, LLC and GG-FVP, LLC, jointly and severally, in the amount of \$204,661.03, plus additional interest, costs, and attorneys’ fees, and to grant such other relief as this Court deems equitable.

COUNT V
PIERCING THE CORPORATE VEIL – AS TO INVEST DETROIT

92. Invest Detroit incorporates all previous allegations by reference as if fully stated herein.

93. Galley Group executed the Guaranties on December 6, 2018.

94. On May 1, 2020, Invest Detroit and the EDC sent the Notices of Default to Galley Group.

95. Defendant GG-FVP was formed on May 22, 2020, three weeks after

the Notices of Default were sent to Galley Group.

96. Upon information and belief, in June 2020, Galley Group transferred the Galley Group Ownership Interests to Defendants FVP LLC and GG-FVP via the Transfer Agreement.

97. Galley Group did not provide any notice of the Transfer Agreement to Invest Detroit.

98. Upon information and belief, Defendant GG-FVP is a mere instrumentality / alter ego of Galley Group, and Defendants established GG-FVP in order to avoid pre-existing debts and liabilities owed by Galley Group.

99. Upon information and belief, Galley Group's two largest shareholders, Defendants GG Holdings, FVP Argo, and/or their controlling members, exercised control over both Galley Group and Defendant GG-FVP at the time of the Transfer Agreement.

100. Defendants used GG-FVP to commit a wrong against Invest Detroit by transferring the Galley Group Ownership Interests to GG-FVP in order to avoid liability for the Guaranty.

101. Prior to the Transfer Agreement, Galley Group maintained a revenue-generating business through its ownership of the Operational Restaurants that could be used to pay the amounts owed pursuant to the Guaranties and the Judgments.

102. As a result of FVP LLC and GG-FVP's wrongful conduct, Invest

Detroit has suffered damages in the amount of \$285,328.67, plus interest, costs, and attorneys' fees.

WHEREFORE, Invest Detroit Foundation requests the Court enter a money judgment in its favor against Feenix Venture Partners, LLC and GG-FVP, LLC, jointly and severally, in the amount of \$285,328.67, plus additional interest, costs, and attorneys' fees, and to grant such other relief as this Court deems equitable.

COUNT VI
PIERCING THE CORPORATE VEIL – AS TO THE EDC

103. The EDC incorporates all previous allegations by reference as if fully stated herein.

104. Galley Group executed the Guaranties on December 6, 2018.

105. On May 1, 2020, Invest Detroit and the EDC sent the Notices of Default to Galley Group.

106. Defendant GG-FVP was formed on May 22, 2020, three weeks after the Notices of Default were sent to Galley Group.

107. Upon information and belief, in June 2020, Galley Group transferred the Galley Group Ownership Interests to FVP LLC and GG-FVP via the Transfer Agreement.

108. Galley Group did not provide any notice of the Transfer Agreement to the EDC.

109. Upon information and belief, Defendant GG-FVP is a mere

instrumentality / alter ego of Galley Group, and Defendants established GG-FVP in order to avoid pre-existing debts and liabilities owed by Galley Group.

110. Upon information and belief, Galley Group's two largest shareholders, Defendants GG Holdings, FVP Argo, and/or their controlling members, exercised control over both Galley Group and GG-FVP at the time of the Transfer Agreement.

111. Defendants used GG-FVP to commit a wrong against the EDC by transferring the Galley Group Ownership Interests to GG-FVP in order to avoid liability for the Guaranty.

112. Prior to the Transfer Agreement, Galley Group maintained a revenue-generating business through its ownership of the Operational Restaurants that could be used to pay the amounts owed pursuant to the Guaranties and the Judgments.

113. As a result of FVP LLC and GG-FVP's wrongful conduct, the EDC has suffered damages in the amount of \$204,661.03, plus interest, costs, and attorneys' fees.

WHEREFORE, the Economic Development Corporation of the City of Detroit requests the Court enter a money judgment in its favor against Feenix Venture Partners, LLC and GG-FVP, LLC, jointly and severally, in the amount of \$204,661.03, plus additional interest, costs, and attorneys' fees, and to grant such other relief as this Court deems equitable.

COUNT VII
CIVIL CONSPIRACY – AS TO INVEST DETROIT

114. Invest Detroit incorporates all previous allegations by reference as if fully stated herein.

115. On May 1, 2020, Invest Detroit and the EDC sent the Notices of Default to Galley Group.

116. Defendant GG-FVP was formed on May 22, 2020, three weeks after the Notices of Default were sent to Galley Group.

117. Upon information and belief, in June 2020, Galley Group transferred the Galley Group Ownership Interests to Defendants FVP LLC and GG-FVP via the Transfer Agreement.

118. Galley Group did not provide any notice of the Transfer Agreement to Invest Detroit.

119. Upon information and belief, Galley Group's two largest shareholders, Defendants GG Holdings, FVP Argo, and/or its controlling members exercised control over both Galley Group and Defendant GG-FVP at the time of the Transfer Agreement.

120. Upon information and belief, Defendants GG Holdings, FVP Argo, FVP LLC, and GG-FVP all acted in concert to transfer the Galley Group Ownership Interests to Defendant GG-FVP.

121. Upon information and belief, Defendants GG Holdings, FVP Argo,

FVP LLC, and GG-FVP transferred the Galley Group Ownership Interests to GG-FVP to avoid pre-existing debts and liabilities owed by Galley Group, including the amounts owed by Galley Group to Invest Detroit pursuant to the Guaranty.

122. Prior to the Transfer Agreement, Galley Group maintained a revenue-generating business through its ownership of the Operational Restaurants that could be used to pay the amounts owed pursuant to the Guaranties and the Judgments.

123. As a result of Defendants GG Holdings, FVP Argo, FVP LLC, and GG-FVP's wrongful conduct, Invest Detroit has suffered damages in the amount of \$285,328.67, plus interest, costs, and attorneys' fees.

WHEREFORE, Invest Detroit Foundation requests the Court enter a money judgment in its favor against Feenix Venture Partners, LLC and GG-FVP, LLC, Galley Group Holdings LLC, and FVP Argo, LLC, jointly and severally, in the amount of \$285,328.67, plus additional interest, costs, and attorneys' fees, and to grant such other relief as this Court deems equitable.

COUNT VIII
CIVIL CONSPIRACY – AS TO THE EDC

124. The EDC incorporates all previous allegations by reference as if fully stated herein.

125. On May 1, 2020, Invest Detroit and the EDC sent the Notices of Default to Galley Group.

126. Defendant GG-FVP was formed on May 22, 2020, three weeks after

the Notices of Default were sent to Galley Group.

127. Upon information and belief, in June 2020, Galley Group transferred the Galley Group Ownership Interests to Defendants FVP LLC and GG-FVP via the Transfer Agreement.

128. Galley Group did not provide any notice of the Transfer Agreement to the EDC.

129. Upon information and belief, Galley Group's two largest shareholders, Defendants GG Holdings, FVP Argo, and/or their controlling members exercised control over both Galley Group and Defendant GG-FVP at the time of the Transfer Agreement.

130. Upon information and belief, Defendants GG Holdings, FVP Argo, FVP LLC, and GG-FVP all acted in concert to transfer the Galley Group Ownership Interests to Defendant GG-FVP.

131. Upon information and belief, Defendants GG Holdings, FVP Argo, FVP LLC, and GG-FVP transferred the Galley Group Ownership Interests to GG-FVP to avoid pre-existing debts and liabilities owed by Galley Group, including the amounts owed by Galley Group to Invest Detroit pursuant to the Guaranty.

132. Prior to the Transfer Agreement, Galley Group maintained a revenue-generating business through its ownership of the Operational Restaurants that could be used to pay the amounts owed pursuant to the Guaranties and the Judgments.

133. As a result of Defendants GG Holdings, FVP Argo, FVP LLC, and GG-FVP's wrongful conduct, the EDC has suffered damages in the amount of \$204,661.03, plus interest, costs, and attorneys' fees.

WHEREFORE, the Economic Detroit Corporation of the City of Detroit requests the Court enter a money judgment in its favor against Feenix Venture Partners, LLC and GG-FVP, LLC, Galley Group Holdings LLC, and FVP Argo, LLC, jointly and severally, in the amount of \$204,661.03, plus additional interest, costs, and attorneys' fees, and to grant such other relief as this Court deems equitable.

COUNT IX
BREACH OF GUARANTY AS TO INVEST DETROIT

134. Invest Detroit incorporates all proceeding paragraphs as if fully stated herein.

135. According to the Guaranty provided by Galley Group to Invest Detroit, "This Guaranty shall remain in full force and effect and be binding...upon...its successors and assigns, and shall inure to the benefit of the Lender [(Invest Detroit)], and its successors, endorsees, transferees and assigns, until all the Guaranteed Obligations have been Paid in Full." See **Exhibit 2** at page 2, Section 2.

136. The Guaranty constitutes a valid and binding contract, which is expressly binding upon Galley Group's successors.

137. According to the terms of the Guaranty provided to Invest Detroit, “This Guaranty shall remain in full force and effect and be binding...upon...its successors and assigns, and shall inure to the benefit of the Lender [(Invest Detroit)], and its successors, endorsees, transferees and assigns, until all the Guaranteed Obligations have been Paid in Full.”

138. As the successors of Galley Group, Defendants FVP LLC and GG-FVP assumed liability for the amounts owed to Invest Detroit pursuant to the Guaranty, which guaranteed “full and punctual payment” of the Loan provided by Invest Detroit to Detroit Galley.

139. Defendants FVP LLC and GG-FVP breached the terms of the Guaranty when it failed to provide payment to Invest Detroit for the amount owed pursuant to the Loan.

140. FVP LLC and GG-FVP’s failure to pay Invest Detroit pursuant to the terms of the Guaranty has caused Invest Detroit to suffer damages in the amount of \$285,328.67, plus interest, costs, and attorneys’ fees.

WHEREFORE, Invest Detroit Foundation requests the Court enter a money judgment in its favor against Feenix Venture Partners, LLC, and GG-FVP, LLC, jointly and severally, in the amount of \$285,328.67, plus additional interest, costs, and attorneys’ fees, and to grant such other relief as this Court deems equitable.

COUNT X
BREACH OF GUARANTY – AS TO THE EDC

141. The EDC incorporates all previous allegations by reference as if fully stated herein.

142. According to the Guaranty provided to the EDC, “This Guaranty shall continue in the event of a corporate event, such as, but not limited to, an acquisition or merger.” See **Exhibit 1** at page 5, Section 10.

143. The Guaranty constitutes a valid and binding contract, which is expressly binding upon Galley Group’s successors.

144. According to the terms of the Guaranty provided to the EDC, “This Guaranty shall continue in the event of a corporate event, such as, but not limited to, an acquisition or merger.”

145. As the successors of Galley Group, Defendants FVP LLC and GG-FVP became liable for the amounts owed to Invest Detroit pursuant to the Guaranty, which guaranteed full payment of all amounts owed to the EDC pursuant to the Loan provided by the EDC to Detroit Galley.

146. Defendants FVP LLC and GG-FVP breached the terms of the Guaranty when it failed to provide payment to the EDC for the amount owed pursuant to the Loan.

147. FVP LLC and GG-FVP’s failure to pay the EDC pursuant to the terms of the Guaranty has caused the EDC to suffer damages in the amount of \$204,661.03,

plus interest, costs, and attorneys' fees.

WHEREFORE, the Economic Development Corporation of the City of Detroit requests this Court enter a money judgment in its favor against Feenix Venture Partners, LLC and GG-FVP, LLC, jointly and severally, in the amount of \$204,661.03, plus additional interest, costs, and attorneys' fees, and to grant such other relief as this Court deems equitable.

KOTZ SANGSTER WYSOCKI P.C.

/s/ Evan M. Lumley

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